

CHAPTER NO. 104

HOUSE BILL NO. 3581

By Representative Harmon

Substituted for: Senate Bill No. 3486

By Senator Crutchfield

AN ACT to amend Chapter 93 of the Private Acts of 1920; as amended, by Chapter 740 of the Private Acts of 1925, by Chapter 540 of the Private Acts of 1939, by Chapter 136 of the Private Acts of 1949, by Chapter 91 of the Private Acts of 1959, by Chapter 36 of the Private Acts of 1999, and by Chapter 148 of the Private Acts of 2000, to authorize and empower the Richard City and Deptford Independent School District to issue and sell an installment school bond in the principal amount of not to exceed Two Million Dollars (\$2,000,000) to the United States of America, acting through Rural Development; to provide the form and terms of said bond; to authorize the refinancing of said bond; to establish and provide for the payment of the bond; to provide for the issuance, sale and payment of said bond and the use and disposition of proceeds from the sale thereof; to provide for the pledge, levy and collection of taxes to pay principal and interest on said bond; and to authorize the issuance of notes in anticipation of the issuance and sale of said bond.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The Richard City and Deptford Independent School District, located in Marion County, Tennessee (the "District"), created by Chapter 93 of the Private Acts of 1920 (Extraordinary Session) of the State of Tennessee, as amended by Chapter 740 of the Private Acts of 1925, Chapter 540 of the Private Acts of 1939, Chapter 136 of the Private Acts of 1949, Chapter 91 of the Private Acts of 1959, Chapter 36 of the Private Acts of 1999, and Chapter 148 of the Private Acts of 2000, and all other Acts amendatory thereto, if any, (the "Act of Incorporation") is hereby authorized and empowered to issue and sell to the United States of America, acting through Rural Development, by resolution of the Board of Trustees of the District, an installment bond in the principal amount of not to exceed Two Million Dollars (\$2,000,000) for the purpose of providing funds for the (i) construction, improvement, renovation, expansion, furnishing, fixturing and equipping of school buildings and facilities, and additions thereto, in and for the District, including the purchase of all property, real and personal, or interests therein, necessary in connection with said work, and the purchase of school buses and school transportation equipment, (ii) funding of all accounts and funds necessary and proper in connection with the issuance and sale of the bond as the Board of Trustees of the District shall determine, (iii) payment of capitalized interest during the period of construction and for six (6) months thereafter, and (iv) payment of all legal, fiscal, administrative, architectural, engineering, accounting and similar professional and other costs incident thereto and to the issuance and sale of the bond.

SECTION 2. The bond will be sold to the United States of America, acting through Rural Development, as a fully registered installment bond, without coupons, at a rate not to exceed four and one-quarter percent (4.25%) per annum and payable in thirty-eight (38) consecutive annual installments of principal and interest.

SECTION 3. The bond shall be issued in fully registered form and shall be signed and sealed as provided in the Tennessee Public Obligations Registration Act and in the resolution adopted by the District's Board of Trustees authorizing the bond.

SECTION 4. The property tax currently being levied within the boundaries of the District for the benefit of the District pursuant to Chapter 136 of the Private Acts of 1949 for supporting and maintaining schools and school property of the District shall continue to be levied for the additional purpose of paying principal and interest on the bond herein authorized and any other indebtedness of the District. The Board of Trustees is hereby authorized to pledge such taxes levied on taxable property located within the boundaries of the District as necessary to pay the principal of and interest on the bond and any other indebtedness of the District, being a portion of the existing taxes, and not an increase therein. The taxes shall be annually extended and collected by the county trustee of Marion County, Tennessee in the manner provided by general law for the extension and collection of county taxes and shall constitute a lien on the property against which they are levied with the like force and effect as do county taxes. The rate established pursuant to Chapter 136 of the Private Acts of 1949 as continued hereunder may be adjusted from time to time in accordance with the procedure set forth in Section 67-5-1704, Tennessee Code Annotated, relating to countywide reappraisal. In addition, in the event the total assessed value of all property subject to the tax hereinabove described declines by more than 10% from January 1 of any year to January 1 of the next succeeding year or declines by more than 15% from January 1 of any year to January 1 of the second succeeding year thereafter, at the request of the Board of Trustees, the county assessor of property shall certify to the county trustee and the Board of Trustees the total assessed value of taxable property within the District and furnish the county trustee and the Board of Trustees an estimate of the total assessed value of all new construction and improvements not included on the assessment roll of the base year and all deletions from the assessment roll of the base year. Upon receipt of said information and certifications, the county trustee shall adjust the tax rate established herein to an adjusted rate which is estimated to provide to the District the same tax revenue as was provided by said tax in the base year, exclusive of such new construction, improvements and deletions, in accordance with policies established by the state board of equalization pursuant to Section 67-5-1701(b), Tennessee Code Annotated, or any successor thereto. Said taxes shall be used exclusively to pay principal and interest on the bond authorized herein and any other indebtedness of the District as they become due, to maintain debt service fund balances and to pay costs of operating and maintaining schools of the District. In the event the property taxes and such other funds as shall be pledged to the payment of the indebtedness of the District are not sufficient to pay principal thereof and interest thereon when due, the District shall apply funds from operations or other available funds of the District to the payment thereof. Any surplus arising from the tax hereinabove described and not required for the payment of debt service on outstanding obligations of the District may be used, at the discretion of the Board of Trustees of the District, for the construction, improvement, renovation, expansion, furnishing, fixturing and equipping of school building and facilities, and additions thereto, in and for the District, including the purchase of all property, real and personal, or interests therein, necessary in connection with said work, and the purchase of school buses and school transportation equipment, and all other operations and maintenance of schools in the District.

SECTION 5. The Board of Trustees is authorized to pledge to the payment of the bond all or a portion of (i) any funds received by the District under the Tennessee Basic Education Program available to be used for capital outlay expenditures, as set forth in Section 49-3-351 et seq., Tennessee Code Annotated, and related sections, (ii) its share of the Local Option Sales and Use Tax now or hereafter levied and collected in Marion County, Tennessee, pursuant to Section 67-6-712, Tennessee Code Annotated, and (iii) any other funds received from the State of Tennessee, or any of its authorities, agencies or instrumentalities, for school purposes and available to be used for capital outlay expenditures.

SECTION 6. The bond, and all income therefrom, shall be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes and except as otherwise provided by applicable law.

SECTION 7. The District is further authorized, by resolution of the Board of Trustees, to borrow money and issue its bond(s) for the purpose of refunding the bond authorized herein, at or prior to maturity, in whole or in part, at any time, in accordance with the terms hereof.

SECTION 8. The District is further authorized, by resolution of the Board of Trustees, to issue and sell notes of the District in anticipation of the issuance of the bond authorized herein. The notes may bear such date or dates, shall mature at such time or times, not exceeding three (3) years from their respective dated dates, may bear interest at such rate or rates (which may vary from time to time), may be payable at such time or times, may be in such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium, and may provide for the replacement of mutilated, destroyed or lost notes, all as may be provided by resolution of the Board of Trustees. The notes shall be sold as a whole or in part from time to time in such manner as shall be provided by resolution of the Board of Trustees. The Board of Trustees of the District is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the notes and delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the Board of Trustees shall deem necessary or desirable.

SECTION 9. If any provision(s) of this Act or the application thereof shall be held by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Act and the application of such provisions shall not be affected thereby, shall be enforced to the greatest extent permitted by law and are declared to be severable.

SECTION 10. This Act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: April 5, 2004


JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 14th day of April 2004


PHIL BREDESEN, GOVERNOR